

26 September 2012

**Herencia Resources plc**

**("Herencia" or the "Company")**

**Results from Metallurgical Testwork**

**Zinc Recoveries in Excess of 80% & Silver Recoveries in Excess of 90%**

**Silver Concentrate Grades Range from 2,000 to 18,000g/t**

Herencia Resources plc, an AIM quoted exploration and development company operating in Chile, is pleased to provide an update on its flagship Paguanta Project ("the Project"). The Project, which is 70% owned and managed by Herencia, is a high grade zinc-silver-lead deposit and is located in northern Chile. The Company is undertaking a number of work programmes in conjunction with the Feasibility Study to investigate the potential for an open pit mine at the Patricia deposit which may potentially expand the overall size of the Paguanta project.

**Highlights**

- **Two concentrates produced; zinc and a silver-lead concentrate,**
- **Zinc recovery in excess of 80% resulting in a zinc concentrate in excess of 52% zinc**
- **Overall Silver recovery in excess of 90% as follows:**
  - **72% to the silver-lead concentrate; resulting in silver-lead concentrate grade ranging from 2,000 to 18,000g/t silver**
  - **20% to the zinc concentrate; at an average grade of 150 g/t silver**
- **Lead recovery of 80% resulting in the silver-lead concentrate grade of 55% lead**

Bench-scale metallurgical test work on primary ores has been completed based on 791.6kgs of drill core samples from the Patricia Deposit as part of the Feasibility Study. The Patricia Resource consists of three zones; an oxidised upper zone up to 40 metres thick in some areas, a transition zone varying in thickness from 10 to 50 metres and the primary mineralisation zone generally commencing at about 40m below surface.

The primary objectives of the metallurgical test work program are to:

- confirm the ability to upgrade the ore into separate saleable concentrates, and
- provide metallurgical data to aid detailed process plant design

All of the metallurgical test work completed to date has been undertaken by G&T Metallurgical Laboratories ("G&T") in Kamloops, Canada and supervised by experienced South American metallurgical consultants Promet101. G&T are part of the Global ALS group, a metallurgical testing company with more than 20 years' experience in metallurgical test work programs for base metal projects.

Key outcomes of the most recent metallurgical test work include:

- Two concentrates produced - a high grade zinc concentrate and a high grade silver-lead concentrate
- Moderate grind requirements using a primary grind size of 80% passing 80-100 microns

- Zinc recovery of 80% into a concentrate grading in excess of 52% zinc
- Silver recovery totalling approximately 92% (72% into a silver-lead concentrate and 20% into the zinc concentrate) with a resulting silver-lead concentrate grade ranging from 2,000g/t to 18,000g/t silver
- Lead recovery of 80% into a silver-lead concentrate grade of approximately 55% lead

Additional metallurgical variability test work is ongoing to further optimise the concentrate specifications and final process flow sheet design.

Graeme Sloan, Managing Director of Herencia said:

***“To achieve zinc recovery in excess of 80%, silver recovery of 92% and lead recovery of 80% are great results for the Company. The results clearly demonstrate that we can produce high grade silver and zinc concentrate products from our Paguanta Project.***

***Further metallurgical test work is underway on additional variability samples from the primary, transition and oxide zones which will be used to fine tune the final process design and concentrate specifications.***

***Achieving these positive results is another important milestone for the Company as it progresses the Paguanta Project toward production.”***

In addition, the Company confirms that its interim results for the six months ended 30 June 2012 will be released on or around 28 September 2012.

## **Project Location**

The Paguanta Project is a high-grade zinc-silver-lead deposit located in the north of Chile approximately 190 kilometres north-east of the coastal city of Iquique and 30 kilometres west of Chile-Bolivia border. The Project is in the Andes, approximately 3,400 to 3,700 metres above sea level on the north end of the Oligocene Porphyry Copper Belt of Chile that includes the world class deposits of Escondida, Chuquicamata, Collahuasi and Cerro Colorado. Cerro Colorado is a large operating copper mine, operated by BHP Billiton, and is located approximately 35 kilometres south of Paguanta.

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References in this announcement to exploration results and potential have been approved for release by Mr. Graeme Sloan (BAppSc Mining Engineering WASM) and Mr. Antonio Valverde (Bsc Geology Universidad Complutense de Madrid), both with more than 15 years relevant experience in the field of activity concerned. Mr. Sloan is a Member of the Australasian Institute of Mining and Metallurgy. Both Mr. Sloan and Mr. Valverde have consented to the inclusion of the material in the form and context in which it appears.

***Further background details on the Company can be found at [www.herenciaresources.com](http://www.herenciaresources.com)***

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